

Proposed 2007 Session Legislation

Agency Name: Agency No:

Priority Number: Filename:

Short Title:

Agency Contact Person/Phone:

1. Purpose:
 Amend Title 15 (Taxation), Chapter 30 (Individual Income Tax), MCA to provide for a \$100.00 per year income tax credit for active members of the Montana National Guard (MTNG). The amendment would provide a small tax benefit to members of the MT National Guard who serve the state.

2. Background:
 Currently, the Montana Code exempts Montana residents serving on federal active military duty (both within and outside of Montana) from paying state income tax on their military pay. This legislation would serve as a benefit, incentive, and recognition of military service to the State of Montana (i.e., by members of the Montana Army and Air National Guard).

3. Fiscal Impact by Fund Type: *This impact should be as specific as possible.*
 There could be a \$400,000.00 decrease in revenue to the general fund assuming the National Guard is at 100% strength and all members take advantage of this credit. \$100.00 multiplied by 4,000 members.

4. Summary Checklist [Check & complete all that apply]--

Housekeeping Only
 Federal Requirement
 Audit Recommendation (Audit No.)
 Major Legislation
 Anticipated to be Controversial Legislation
 Bill Draft has been included in Legislation Submittal (if available)
 Supports Submitted EPP Item Number:
 Local Government Fiscal Impact
 Increases FTE, or
 Decreases FTE by

List FTE amount and program

Increases Existing Revenue
 Tax
 Fee
 Penalty [amount in #3]
 Decreases Existing Revenue
 Tax
 Fee
 Penalty [amount in #3]
 Establishes New Revenue
 Tax
 Fee
 Penalty [amount in #3]

Leg. has been Submitted in Previous Legislative Sessions (list priority no, LC no, or bill no):

Legislation would affect other state agencies (list):
 Dept of Revenue

Special Interest Groups Affected (list):

Other: